

Senate Bill 1

AAC Connecticut's Energy Future

Comments by Robert A. Maddox, Jr. LEED AP, MBA.

While I am here representing myself, my experience includes spending the last 15 years in fostering Renewable Energy development. I have served as Co-chair of the US Green Power Marketing Board, worked for Connecticut's first competitive electricity supplier, presently serve as a member of the CT Renewable Energy Investment Board, am chairman of the Renewable Sub Committee for the US Green Building Council (USGBC) as well as a member of the Energy and Atmosphere Technical Advisory for the USGBC. I presently work for one of the nation's largest REC market makers and have worked extensively on RPS issues with many of the 30 states that have adopted an RPS.

My comments are based upon my 15 years of experience but they are my own and in no way represent any organization or business I am involved with.

Class 1 Renewable Portfolio Standard (RPS):

Connecticut's RPS together with Massachusetts's RPS drives the development of renewable energy in New England and the region. Our leadership is not to be taken lightly. We are changing the world, cleaning up our grid and helping secure our nation's energy future.

However, unwise changes could undermine 10 years of progress. Currently 2011 Class 1 Renewable Energy Certificates (RECs) are trading around \$15.00 each. Allowing large hydro projects in without immediately raising the bar by at least 5% for 2012 and every year after will likely lower the Class 1 REC price to under \$3.00. This will adversely affect all renewable energy development in New England and upstate New York, causing the delay and cancelation of many renewable energy projects.

The Renewable Energy Investment Board:

The Renewable Energy Investment Board should be combined with the Energy Efficiency Board and maintained as a Quasi Public, like New York State's NYSERDA. This organization could be placed under DEEP for administrative purposes, but should not be directly under DEEP's budget. It is extremely important to keep these rate payer funds separate so they are not subjected to the state spending cap and the likely diversion of the revenue stream. This new Quasi Public must work closely with all stakeholders especially the states two Utilities, using them to implement energy efficiency and renewable energy programs.

The 30 MW residential solar requirement by 2022 should allow for up to 40% to come from solar thermal.

Electricity Costs:

Several times throughout the bill, there are references to "Reducing Rates" or "lowering the cost of electricity". I would suggest the focus needs to be on decreasing businesses and customer's monthly electric bill. There needs to be a holistic approach recognizing that rates are only one part of a bill and that usage is the other part. It is the combination of rates and usage that yields a bill. Businesses and consumers want lower bills and that should be our focus.

Utility Solar & Project 150:

The Utilities should use a Contract for Differences (CFD) approach for both solar procurement and project 150. For solar, they should determine a parity price, which is currently around 25 cents a kWh for large scale systems. CFD's would allow project 150 and solar development to move forward. However, with the advent of smart meters and decreased solar PV cost, this financial instrument will allow the rate payer to see the benefits of summer peak solar generation and the full hedge value of renewable generation.